Pine Telephone System, Inc.

P. O. BOX 706

104 CENTER STREET

HALFWAY, OREGON. 97834

(541) 742-2201

FAX (541) 742-4321

June 24 2014

Electronic Filing

Ms. Marlene H. Dortch Office of Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Re: WC Docket No. 10-90 & 11-42 Annual § 54.313/54.422 Report of High-Cost and Low Income Recipient, Form 481

Dear Ms. Dortch:

Enclosed herein is the annual report for Pine Telephone System, Inc., Study Area Code **532392** pursuant to § 54.313/54.422 of the Commission's rules.

Please contact me with any questions at:

541.742.2201 patrick@pinetel.com

Patrick L. Lattin General Manager

Copies to:

Universal Service Administrative Company Electronic Filing Washington, DC 20036

Public Utility Commission Electronic Filing

| FCC For | rm 481 - Carrier Annual Reporting Data Collection Form | | | FCC Form 481 OMB Control No. 3050- July 2013 | -0986/OMB Control No | 3060-0819 |
|----------------|---|---------------------------------------|------------------------------------|--|----------------------|----------------------|
| <010> | Study Area Code | 532392 | | | | |
| <015> | Study Area Name | PINE TEL SYSTEM INC | | | | |
| <020> | Program Year | 2015 | | | | |
| <030> | Contact Name: Person USAC should contact with questions about this data | Teena Thomas | | | | |
| <035> | Contact Telephone Number: Number of the person identified in data line <030> | 5417422201 ext. | | | | |
| <039> | Contact Email Address: Email of the person identified in data line <030> | teenase@pinetel.com | 1 | | | |
| | | | | | 54.313 Completion | 54.422 Completion |
| ANNUA | AL REPORTING FOR ALL CARRIERS | | | | | Required |
| <100> | Service Quality Improvement Reporting | | (complete attached work | (sheet) | / N | MALL |
| <200> | Outage Reporting (voice) | | (complete attached world | isheet) | | |
| <210> | ✓ < check box if no | outages to report | | | / | 11111 |
| <300> | Unfulfilled Service Requests (voice) 0 | | | ٠ | | |
| <310> | Detail on Attempts (voice) | | | (attach descriptive do | ocument) | |
| | | | | _ | . 75 | |
| <320> | Unfulfilled Service Requests (broadband) | | | ٦ | | |
| <330> | Detail on Attempts (broadband) | | | (attach descriptive o | document) | |
| <400> | Number of Complaints per 1,000 customers (voice) | | | | | |
| <410> | Fixed 0.0 | | | | 1 | |
| <420> | Mobile | | | | | |
| <430> <440> | Number of Complaints per 1,000 customers (broadle | oand) | | | 1 | |
| <450> | Mobile 0.0 | | | | | |
| <500> | Service Quality Standards & Consumer Protection R 5323920R510.pdf | ules Compliance | (check to Indicate certif | fication) | ✓ | |
| <510> | | | (attached descriptive | document) | ✓ | |
| 46005 | Functionality in Emergency Situations | | 1 | | | |
| <0002 | 5323920R610.pdf | · · · · · · · · · · · · · · · · · · · | (check to indicate certl) | ication) | | |
| | | | (attached descriptive do | cument) | | |
| <610> | | | | | | |
| <700> | Company Price Offerings (voice) | | (complete attached wo | rksheet) | 1 | HILL |
| <710> | Company Price Offerings (broadband) | | (complete attached was | | - | 11111 |
| <800> | | | (complete attached wo | rksheet) | | / |
| | Tribal Land Offerings (Y/N)? | (if | yes, complete attached wo | | 7 | 1111 |
| <1000> | Voice Services Rate Comparability | | (check to Indicate certi) | ncation) | | |
| | | | | | | |
| <1010> | · | | (attach descriptive doc | ument) | | |
| | | | _ | | | |
| <1100> | > Terrestrial Backhaul (Y/N)? | (6 | f not, check to indicate cert | ification) | | 13.33 |
| <1110> | | | (complete attached wo | rksheet) | | aver |
| <1200> | Terms and Condition for Lifeline Customers | - | (complete attached wo | rksheet) | 111111 | 1 |
| | Price Cap Carriers, Proceed to Price Cap Additional | Documentation Works | sheet | | | |
| <2000> | Including Rate-of-Return Carriers affiliated with Pr | ice Cap Local Exchange | Carriers (check to Indicate certif | ication) | | 11111 |
| <2005> | | | (complete attached wor | | | iiii |
| | Rate of Return Carriers, Proceed to ROR Additional | Documentation Work | | | | |
| <3000> | | | (check to indicate certif | | | 11111. |
| <3005> | | | (complete attached wor | ksneet) | V | 11 11 11 11 11 11 |

| | rvice Quality Improvement Reporting Hection Form | | | | FCC Form 461 OMB Control No. 3060-0986/OMB Control No. 9060-0819 July 2013 |
|-------|---|--------------|-------------|-------|---|
| <010> | Study Area Code | 532392 | | | |
| <015> | Study Area Name | FINE TEL SYS | STEM INC. | | |
| <020> | Program Year | 2015 | | | |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thoma | | | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 | ext. | | |
| <039> | Contact Email Address - Email Address of person Identified in data line <030> | teenaseopin | etel.com | | |
| <110> | Has your company received its ETC certification from the FCC? | (ye | s/no) O | 0 | |
| <111> | If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC? | (уе | s/no) O | 0_ | |
| <112> | If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> defineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service. Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your of CETC which only receives frozen support, your progress report is only required to address voice telephony service. | ompany is a | 5323920R11: | 2.pdf | |
| | Please check these boxes below to confirm that the attached documents(s), on III 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate. | ne | | | Name of Attached Document |
| <113> | Maps detailing progress towards meeting plan targets | | | | |
| <114> | Report how much universal service (USF) support was received | | | | |
| <115> | How (USF) was used to improve service quality | | | | |
| <116> | How (USF)was used to improve service coverage | | | | |
| <117> | How (USF) was used to improve service capacity | | | | |
| <118> | Provide an explanation of network improvement targets not met in the prior calendar year. | | | | |

| (200) Service Outage Reporting (Voice) | FCC Form 431 |
|--|---|
| Data Collection Form | OMF Combrel No. 3060 0986/OMB Control No. 3060-0819 |
| | July 2013 |

| <010> | Study Area Code | 532392 |
|-------|---|----------------------|
| <015> | Study Area Name | PINE TEL SYSTEM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas |
| <035> | Contact Telephone Number - Number of person Identified in data line <030> | 5417422201 ext. |
| <039> | Contact Email Address - Email Address of person Identified in data line <030> | teenase9pinetel.com |

| <220> | <8> | <b1></b1> | Ф2> | <b3></b3> | <b4></b4> | <c1></c1> | <c2></c2> | <d></d> | <e></e> | <f>></f> | <g></g> | <h></h> |
|-------|-----------|-----------|--------------|-----------|------------|--------------------|-----------|----------------|--------------------|-----------------|----------------|--------------|
| | NORS | | | | | | | | | Did This Outage | | |
| | Reference | | Outage Start | | Outage End | Number of | | 911 Facilities | Service Outage | Affect Multiple | | |
| | Number | Date | Time | Date | Time | Customers Affected | | Affected | Description (Check | | Service Outage | Preventative |
| | | | | | | | Customers | (Yes / No) | all that apply) | (Yes / No) | Resolution | Procedures |
| | | | | | | | | | | _ | | |
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|--|--------------------------|------|--|---|--|---|---|---|--------------|-----------------------|-----------------------|--|
| State | | 41.0 | ingle State-w | esidential Loc | | orted Small | ontact Teleph | ontact Name | Program Year | c015> Study Area Name | <010> Study Area Code | Offerings in |
| Exchange (ILEC) | VIDAMAL READS | 6 | Single State-wide Residential Local Survice Charge | Residential Local Service Charge Effective Date | | coats Contact Final Address - Final Address of newspiridentified in data line coats | <035> Contact Telephone Number - Number of person identified in data line <030> | Contact Name - Person USAC should contact regarding this datu | | me . | de | (1984) Price Offennys Industrig Valce Rata Data Data Colluction Futro |
| SAC (CETC) | | ass | acvice Charge | sctive Date | on or person and | at of neven ide | er of person iden | contact regardi | | | 2 | Ula |
| Rate Type | | तक | Г | (E | | distant in data in | rtified in data line | ng this data | | | | |
| Service Rate | Residential Local | 48 | L | 1/1/2014 | CONTRACTOR AND | | 18.5 | Teens Thomas | 2015 | PINE TICL | 532392 | |
| State Subscriber Line Charge | the case was desired and | 87 | | | | mate) non | 1 act. | 18d | | PINE THE SYSTEM INC. | | |
| State Subscriber Line Charge State Universal Service Fee | The last way to the | die | | | | | | | | av — fix | | ≥ 0 Z |
| Service Charge | Mandatory Extended Area | 960 | | | | | | | | 1000 | | PCX Form #31 Divid Country No. 3900-0186/CRAB Control No. 1800-1519 New 2013 |
| Total per line Rates and Fee | | C | | | | | | | | | | WB Central No. 3050-0519 |

| П | | Г | П | | Γ | Г | Г | Г | Г | П | Т | Т | | ٦ |
|---|--|---|---|----|---|---|------|------------------------|---|---|-----|-----|--|--------------------------|
| | | | | 55 | | | | | | | | | State | AT. |
| | | | | | | | | | | | 714 | 300 | Exchange (ILEC) | 9 |
| | | | | | | | | | | | | | SAC (CETC) | 930 |
| | | | | | | | | | | | 1 | | Rate Type | CIB |
| | | | | | | | | Seea | | | | | Service Rate | Barieland Marie |
| | | | | | | | | See attached worksheet | | | | | State Subscriber Line Charge State Universal Service Fee | 87 |
| | | | | | | | | | | | | | State Universal Service Fee | dab |
| | | | | | | | 10,2 | | | | | | Service Charge | Mandahara Estatudad Amer |
| | | | | | | | | | | | | 1 | Total per line Rates and Fee | ć |

| (758) Broadband Prio | 4010s | | <020> | | - | | ATP. | | | | | | -,- | | |
|--|-----------------|----------------------|--------------|---|---|---|--------------|---|------|--------------|-----------|---|-----|--|--|
| (750) Broadsand Price Offerings Data Collection Form | Study Area Code | Study Area Name | Program Year | Centact Name - Person U | Contact Telephone Numb | Contact Email Address - E | dip | State | | 1 | | | | | |
| | | 2000 | | Contact Name - Person USAC should contact regarding this data | Contact Telephone Number - Number of person identified in data the stitch | Contact Empil Address - Email Address of person identified in data line 40305 | 1000 | Exchange (ILEC) | | | | | | | |
| | | | | this data | ified in data line <0305 | tifled in data line 4030> | 40 | Residential Bate | | | | | | | |
| | 532393 | PINE THE SYSTEM INC. | 2015 | Thema Thomas | 5417422201 ext. | temmse@pinetel.com | è | State Regulated | | See attached | worksheet | | | | |
| | | FI INC. | | | * | -1 . mom | 3 | Total flate and Fees | | hed | | | | | |
| | | | | | | | die | Broadband Service Download Speed (Mbps) | | | | | | | |
| FLC Forms cq1 ON/B Connects July 2013 | | | | | | | all'a | Broadband Service - Upland Speed (Mbps) | | | | | | | |
| FLC Forms 463 ON/H Contend No. 2010-0889/JOHAN July 2013 | | | | | | | 40. | Usage Allowance (68) | | | | 3 | | | |
| TOWN Control No. 10804-0119 | | | | | | | - California | Limpe Allowance Action Tatton When Limit Reschod (seinct) | | | | | | | |

| | eratics Companies action Form | | Residence of the second | FOC Form 481 DMB Council No. 3050-01/6 KSM6 Control No. 3060-0811 July 2013 |
|----------------|----------------------------------|---|-------------------------|--|
| <010> | Study Area Code | | 534335 | |
| <015> | Study Area Name | | PIGE TEL SYSTEM INC. | |
| <020> | Program Year | | 2015 | |
| <0E0> | Contact Name - Person | USAC should contact regarding this data | Tenna Thomas | |
| <035> | Contact Telephone Nun | nber - Number of person identified in data line <030> | \$417422201 ext. | |
| <039> | Contact Email Address | Email Address of person identified in data line <030> | temasePrinetel.com | |
| <810> | Reporting Carrier | Pine Tele System Inc | | |
| <811> | Holding Company | Fine Communications LLC | | |
| <812> | Operating Company | H/A | | |
| <813> | | 41, | D | \$30° |
| | | Affiliates | SAC | Doing Business As Company or Brand Designation |
| | - | | | |
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| 27 27 28 | | | See attached worksheet | |
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| A STATE OF THE STA | bal Lands Reporting lection Form | | FEC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |
|--|--|------------------|--|
| <010> <015> <020> <030> <035> <039> <039> | Study Area Code Study Area Name Program Year Contact Name - Person USAC should contact regarding this data Contact Telephone Number - Number of person identified in data line < Contact Email Address - Email Address of person identified in data line Tribal Land(s) on which ETC Serves | | 192392 INE TEL SYSTEM INC. 1015 eena Thomas 417422201 ext. eenasc@pinetel.com |
| <920> | Tribal Government Engagement Obligation | | Name of Attached Document |
| to confidements § 54.313 | rompany serves Tribal lands, please select (Yes,No, NA) for each these boxes rm the status described on the attached document(s), on line 920, trates coordination with the Tribal government pursuant to 8(a)(9) includes: Needs assessment and deployment planning with a focus on Tribal community anchor institutions. | Sel (Yes N | |
| <922> <923> <924> <925> <926> <927> <927> <927> <928> <929> | Feasibility and sustainability planning; Marketing services in a culturally sensitive manner; Compliance with Rights of way processes Compliance with Land Use permitting requirements Compliance with Facilities Siting rules Compliance with Environmental Review processes Compliance with Cultural Preservation review processes Compliance with Tribal Business and Licensing requirements. | | |

| 481 Irol No. 3060-0986/OWE Control No. 3066-0919 |
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| Lifeline | erms and Condition for Ufeline Customers | | | FCC Form 481 OMB Centrol No. 3060-0986/OM8 Centrol No. 3060-0819 July 2013 |
|-----------|---|------------|----------------------|--|
| <010> | Study Area Code | | 532392 | |
| <015> | Study Area Name | | PINE TEL SYSTEM INC. | |
| <020> | Program Year | | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | | Teena Thomas | |
| <035> | Contact Telephone Number - Number of person identified in data | line <030> | 5417422201 ent. | |
| <039> | Contact Email Address - Email Address of person identified in dat | 1/0 | transe@pinstel.com | |
| <1210> | Terms & Conditions of Voice Telephony Lifeline Plans | | 5323920R1200.pdf | |
| | | _ | | Name of Attached Document |
| <1220> | Link to Public Website | HTTP | | |
| or the we | neck these boxes below to confirm that the attached document(s), on lin- bsite listed, on line 1220, contains the required information pursuant to [a](2) annual reporting for ETCs receiving low-income support, carriers m report: | | | |
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | 1 | | |
| <1222> | Details on the number of minutes provided as part of the plan, | ✓ | | |
| <1223> | Additional charges for toll calls, and rates for each such plan. | _ | | |
| | | | | |
| | | | | |

| (2000) Pr | ice Cop Carrier Additional Documentation | | FCC Form 483 |
|-----------|---|--|---|
| Deta Coll | ection Form | | OMB Control No. 3060-0985/OMB Control No. 3060-0819 |
| including | Rate-of-Return Corners officiated with Price Cap Local Exchange Carriers | | July 2013 |
| | | | |
| <0100 | Study Area Code | 512392 | |
| <015> | Study Area Name | PINE TEL SYSTEM INC. | |
| <020> | Program Year | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Teens Thomas | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 eat. | |
| <039> | Contact Email Address - Email Address of person Identified in data line <080> | tampass@pinetel.com | |
| CHECK th | | | High Cost support to officet access charge reductions, and Cornect America Phase II |
| | support as set forth in 47 CFR § 54.813(b),(c),(d),(i | :) the information reported on this form and i | n the documents atteded below is occurate. |
| | Incremental Connect America Phasa I reporting | | |
| <2010> | 2nd Year Certification (47 CFR § 54.313(b)(1)) | | |
| <2011> | 3rd Year Certification (47 CFR § 54.318(b)(2)) | | Ħ |
| | 1 | | |
| | Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a)) | | |
| <2812> | 2013 Frozen Support Cartification | | |
| <2013> | 2014 Frozen Support Cartification | | |
| <2014> | 2015 Frozen Support Certification | | |
| <2015> | 2016 and future Frozen Support Certification | | |
| | Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d)) | | |
| <2016> | Certification Support Used to Build Broadband | | |
| | Connect America Phase II Reporting (47 CFR § 54.313(e)) | | |
| <2017> | 3rd year Broadhand Service Certification | | - |
| <2018> | 5th year Broadband Service Certification | | |
| <2019> | Interim Progress Certification | | |
| <2020> | Please check the box to confirm that the attached document(s), on pursuant to § 54.313 (a)(3)(ii), as a recipient of CAF Phase II support addresses of community anchor institutions to which began providi preceding calendar year. | shall provide the number, names, and | an |
| <2021> | Interim Progress Community Anchor Institutions | | |
| | | | |
| | | Name o | f Attached Document Usting Required Information |
| | | | |

| (9026) | (820E) | [3023] | (9022) | | [3021] | (8106) | (audi) | (3017) | (9016) | (SIDE) | Please. | [3014] | (2012) | (3011) | (ATOE) | CHECK I | <6690 | 4580v | | A A | | Deriv Gull | Zacoocj Ra |
|--|--|--|--|--|---|---|--|---|--|--|---|--|--|--|--|--|--|--|--------------|---------------------------------|--|--|---|
| Jettech the seed in time flating required interruption | Underfore information subjected to an officer certification. Document(e) for Belletto Stleet, Income Statement and Statement of Cash Figure | Underlying information subjected to a royless by an independent certified public accounts of | Copy of their financial statement which has been subject to switten by an independent excilled public actoormate or 2) a financial report in a format compression to fill dispensing Report for Telecommunications housewers. | If the response is no on tine 80.16, please check the bours before to writing your submittion, on line 3029 persuent to § 54.3 \$40)25, contains | Management letter broad by the independent certified public accountant, that performed the company's financial audit. | Titles a copy of their audited financial statement; or (2) a financial import in a feminet comprisible to RUS Operating Report for Telecommunications. Document(a) for Bullance Steep Limitorment and Statement of Clash Flower. | If the response is no on line 9034, is your company audited? If the response is you on line 9036, plantar check the bours belong to confirm your submission, on line 9036 pustants to § \$4.3.19(\$/3.), contains | If the response a year on this 2004, attach your company's TUS attitude export and all restulined distumentations | Cocument(s) for Bellanus Shael, Income Statement and Statement of Cook Flows 552 | Electronic capy of their ennual RUS reports (Operating Report for Telecommunications florrowers) | Please drack thas boxes to continu that the attached document(e), on line 3017, contains the required information parsuant to § 54.313(1)(2) comple | is your company a Privately Held NOR Confine (47 CTR § 56.31.317)(23). If you, does your company like the AUS aurust report | Community factor instrusions for UFR § 54.313(Y.C)(II) | Please chack the tox to continu that the stacked document(e), on the 3012 contains the required information pursuant to § 64.313 (\$150), he carrier state provide the number, natures, and addressed of community ancher installations to which began providing access to broadcast service in the preciding calendar year. | Program Report on 19 Year Flam Milestone Conflictation (47 OFR § 54.21.20)(1)()) | he burnet below to ente compilares un ha flab (year earches quality plan dynness Ord § 54.5 M/(KC). I Arthur cartely that t | Contact Email Address - Email Address of person identified in data line-obtto- | Contact Hame - Person USAC should contact regarding this data Contact Talaphane Number - Number of person thentRiad in data line 4000> | Prepari Yest | Study Area Code Study Area Same | The second secon | Jeru Cuffer feren | Scooy Bets Of Return Carrier Additional Documentation |
| | sub Pages | |) [| | performed the company's financial audic. | owner comprisible to RUS Operating Report for Teleocompress address | (Year)tha) | Name of Attacket Document Listing Required Information | S3233 gorsot7, pd.s | | 7, contains the required information pursuant to § 54.313(f)(2) compliance requires; | Name of Attached Decement Listing Required Information [Yes/Not] | | 301/2 deministra tieta evojutired (information pursuserk to eastch of continuately eachter institutiones to vehich began | Otenge of Attached Document Leging Regulated Information | CHECK the boson to be not a compliance as he tony have service quality from furnament to 47 CES 5.45.20(h.)) and, for privately hald currient, essaining compliance with the flantalid imperitug magniferance state in a complete control in any control in the formation of the documents which deduced to recurrent. | Keennarakolamital.com | Teens Thoses 5412422201 =:-t. | 2015 | 53222 | A STATE OF THE PARTY OF THE PAR | ONIT CONTROL NO. SCHOOLS SPINIS CONTROL NO. SCHOOLS SPINIS CONTROL NO. SCHOOLS SPINIS CONTROL NO. SCHOOLS SPINIS CONTROL NO. SCHOOL SPINIS CONTROL SCHOOL SPINIS CONTROL SPINIS CONTROL SPINIS CONTROL S | SCC Form ART |

| | tion - Reporting Carrier lection Form | FCC Form 481 OMB Control No. 3068-0686/OMB Control No. 3060-0819 July 2013 |
|-------|---|--|
| <010> | Study Area Code | 532392 |
| <015> | Study Area Name | PINE TEL SYSTEM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. |
| <039> | Contact Email Address - Email Address of person Identified in data line <030> | teenase@pinetel.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate. Name of Reporting Carrier: PINE TEL SYSTEM INC. Signature of Authorized Officer: CERTIFIED ONLINE Printed name of Authorized Officer: Ron Milford Title or position of Authorized Officer: President Telephone number of Authorized Officer: 5417422201 ext. Study Area Code of Reporting Carrier: 532392 Filing Due Date for this form: 07/01/2014 Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or Imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

| | ion - Agent / Carrier lection Form | FCC Form 481 OM3 Control No. 3060-0986/OM3 Control No. 3060-0819 July 2013 |
|-------|---|--|
| <010> | Study Area Code | 532392 |
| <015> | Study Area Name | PINE TEL SYSTEM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teenase@pinetel.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

| Certification of Officer to Au | orize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier |
|--|--|
| I certify that (Name of Agent) also certify that I am an officer of the reporting carrier; agent; and, to the best of my knowledge, the reports an | is authorized to submit the information reported on behalf of the reporting carrier. responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized data provided to the authorized agent is accurate. |
| Name of Authorized Agent: | |
| Name of Reporting Carrier: | |
| Signature of Authorized Officer: | Date: |
| Printed name of Authorized Officer: | |
| Title or position of Authorized Officer: | |
| Telephone number of Authorized Officer: | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: |
| Persons willfully making false statements on this form o | be punished by fine or farfelture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. |

TO BE COMPLETED BY THE AUTHORIZED AGENT:

| Certification of Agent | authorized to File Annual Reports for CAF or LI Recipients | on Behalf of Reporting Carrier |
|--|---|---|
| | orized to submit the annual reports for universal service support reci eporting carrier; and, to the best of my knowledge, the information r | |
| Name of Reporting Carrier: | | |
| Name of Authorized Agent or Employee of Agent: | | |
| Signature of Authorized Agent or Employee of Agent: | | Date: |
| Printed name of Authorized Agent or Employee of Agent: | | |
| Title or position of Authorized Agent or Employee of Agent | | |
| Telephone number of Authorized Agent or Employee of Ag | ent: | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: | |
| Persons willfully making false statements on this form | can be punished by fine or forfeiture under the Communications Act of 1934, 18 of the United States Code, 18 U.S.C. § 1001. | , 47 U.S.C. §§ 502, 503(b), or fine or Imprisonment under Title |

Attachments

| CONTRACTOR OF THE PARTY OF THE | ce Offerings including Voice Eate Deta Section Form | | PCC Form 481 OMB Control No. 3656-0986/OMB Control No. 3060-9819 July 2013 |
|---|---|----------------------|--|
| <010> | Study Area Code | 532392 | |
| <015> | Study Area Name . | PINE TEL SYSTEM INC. | |
| <020> | Program Year | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 e t. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teanase@pinetel.com | |
| | | | |
| <701> | Residential Local Service Charge Effective Date 1/1/2014 | | |
| <702> | Single State-wide Residential Local Service Charge | | |

<703>

| -123> | ea.b | ap | 451> | 42 | bp. | eh4> | *250 | 400 |
|-------|--------------------------------------|------------|-----------|--|------------------------------|-----------------------------|---|------------------------------|
| State | Exchange (ILEC) Pine Tele System Inc | SAC (CETC) | Rate Type | Residential Local Service Rate | State Subscriber Line Charge | State Universal Service Fee | Mandatory Extended Area Service Charge | Total per line Rates and Fee |
| OR | Pine Tele System Inc | | FR | 14.0 | 0.0 | 1.19 | 0.0 | 15.19 |
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| (710) Broadband Price Offerings | | PCC Ropm 481 | |
| Data Collection Form | | OMB Control No. 3060-0186/OMB Control No. 9050-0019 | |
| | | July 2013 | |
| | The state of the s | | _ |

| <010> | Study Area Code | 532392 |
|-------|---|----------------------|
| <015> | Study Area Name | PINE TEL SYSTEM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Teens Thomas |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teenase@vinetel.com |

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|-------|------------------|---------------------|-------------------------|-------------------------|---|---|-------------------------|--|
| State | Exchange (ILEC) | Residential Rate | State Regulated Fees | Total Rates and Fees | Broadband Service - Download Speed (Mbps) | Broadband Service -Upload Speed (Mbps) | Usage Allowance (GB) | Usage Allowance Action Taken When Limit Reached {select} |
| OR | Pine Tele System | 14.0 | 1.19 | 15.19 | 6.0 | 1.0 | 500.0 | Rate Limiting |
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| (800) Op | erating Companies | | | FCE form 482 | | | | | |
|----------|---------------------------|--|----------------------|--|--|--|--|--|--|
| Data Col | ection Form | | | OM8 Control No. 3050-0986/OM8 Control No. 3050-0819 July 2013 | | | | | |
| <010> | Study Area Code | | 532392 | | | | | | |
| <015> | Study Area Name | | PINE TEL SYSTEM INC. | | | | | | |
| <020> | Program Year | | 2015 | | | | | | |
| <030> | Contact Name - Person US | SAC should contact regarding this data | Teena Thomas | | | | | | |
| <035> | Contact Telephone Numb | er - Number of person identified in data line <030> | 5417422201 e.t. | | | | | | |
| <039> | Contact Email Address - E | mail Address of person identified in data line <030> | teenase@pinetel.com | | | | | | |
| <810> | Reporting Carrier | Pine Tale System Inc | | | | | | | |
| <811> | Holding Company | Pine Communications LLC | | | | | | | |
| <812> | Operating Company | N/A | | | | | | | |

| 13> | طه | (32> | q3> | | | |
|-------|------------|--------|--|--|--|--|
| | Affiliates | SAC | Doing Business As Company or Brand Designation | | | |
| PT Se | ervices | 532392 | DBA | | | |
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Pine Telephone Company

Five Year Service Quality Improvement Plan

This Five Year Improvement Plan (the "Plan") is a section of the Company's 2014 Annual Report. It is filed in Compliance with 47 CFR § 54.313(a) (1) as adopted in the FCC's USF/ICC Transformation Order (11-161). This document also incorporates further clarifications identified in subsequent Reconsideration Orders, as applicable, in effect prior to the filing of the Annual Report.

Pine Telephone has developed its Improvement Plan thoughtfully, concentrating on the delivery and continuation of a robust network which provides, at a minimum, the federally required voice and broadband connectivity as stated in FCC rules. In certain situations (and as noted herein), the plan may also incorporate specific state requirements.

Pine Telephone is a recipient of state support from the Oregon Universal Service Fund ("OUSF"). The Fund is currently under review in a formal state commission staff proceeding (docket UM 1481), to assure the Fund contribution and support mechanisms, and those qualifying for support, are in concert with current regulatory and market conditions. The outcome of the OUSF docket, the timing of a decision, and its impact upon Pine Telephone are unknown at the time of this Plan.

Pine Telephone advises that the Plan has been carefully crafted, matching measured network deployment, improvement and quality service levels with known financial implications of the Transformation Order upon the company's support and consequent cash flows. The uncertainty of such cash flows being received in the outer years as a result of current and potential regulatory action on rural rate-of-return carriers has resulted in the Company taking a balanced yet realistic approach.

The environment in which the Company operates remains dynamic, not static. As a result, Pine Telephone reserves the opportunity to modify the Plan in response to further regulatory decisions as they are adopted, and their implication upon the Company's financial viability in providing the required services and service level quality becomes known.

Pine Telephone will re-evaluate this Plan on an annual basis. Action, however, may also be taken abruptly changing the Plan for both current and outer years in the event of evolving regulatory conditions and/or changes in technology (vendor)-driven support. All adjustments to the Plan will be reflected and explained in subsequent annual reports.

SUPPORT FUNDING FOR 2013

Pine Telephone, as an Eligible Telecommunications Carrier (ETC) provides Universal Service Fund supported services to approximately 900 customers in 3 exchanges covering approximately 911 square miles.

Consistent with FCC requirements, this Plan addresses only Pine Telephone's regulated Eligible Telecommunications Carrier operations. A detailed description of Pine Telephone's plans for the provision of the supported services the five-year period starting with January 2015 is provided herein.

Per the Universal Service Administrative Company (USAC), during the calendar year 2013, Pine Telephone received a total of \$5,081,714.00 in USF support funds. The breakdown of that funding for the year was:

- \$2,193,307.00 High Cost Loop Support
- \$865,018.00 Local Switching Support
- \$653,418.00 Connect America Fund-Intercarrier Compensation Support
- \$1,295,906.00 Interstate Common Line Support
- \$ 74,065.00 Safety Net Additive

All funds were used in 2013 to both 1) maintain, upgrade, and improve the Company's network and, 2) cover its operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband throughout its service area.

IMPROVEMENTS PLANS BY YEAR (2015-2019 inclusive)

Summary descriptions of network improvements planned for the next five years in accordance with Part 54.202(a) (1)(ii) and Part 54.313(a)(1) by year and by exchange are presented below. Where available, the area and subscribers impacted by improvements are identified in the accompanying worksheet. Costs are broken out by voice and broadband service.

- Network improvement expenditures identify the cost to provide those services supported by the
 universal funding mechanisms. When a project involves expenditures for both regulated and
 non-regulated services, the non-regulated investment costs have been removed. The Company
 estimates non-regulated costs using the appropriate allocation rules. Details of those costs are
 retained by the Company and available for inspection.
- Costs are reported only for those service areas in which the Company is authorized to receive USF funding.

Due to the current uncertainty of the amounts of support funds the company may receive in future years, Pine Telephone advises the FCC that the deployment of specific network improvement projects may be modified, and the meeting of projected service goals muted, accommodate if the actual amount of support received constrains Pine Telephone's ability to do so.

OVERVIEW

Pine Telephone is an independent local exchange carrier providing telecommunications services for Halfway, Granite, and Three Rivers (West of Culver, Oregon) exchange areas in Oregon with some properties also located in Idaho. With three exchanges, Pine Telephone's service areas have a current population of approximately 1,320, over a geographic area of approximately 911 square miles. In general, the service territory is a mixture of high desert, mountains, and rivers. Its main office in Halfway is located 1 ½ hours to the East from Baker City, Oregon. Generally the Halfway Exchange is high desert with mountains, the Granite Exchange is high mountains, and the Three Rivers Exchange is high desert bounded by rivers and a large lake.

There are a limited number of homes passed by within the three exchange areas. According to the U.S. Census the median household income for the Halfway exchange is \$34,968, per capita income.

Pine Telephone's network consists of approximately 291.35 miles of fiber serving 578 subscribers and 336.89 miles of copper plant serving the remaining 258 subscribers. At the end of 2013 there were two routes in and out for toll and a fiber ring transporting internet-bound traffic while also serving three impoundment and hydroelectric dams on the Snake River.

Pine Telephone estimates that as of the end of 2013 approximately 98% of the homes passed have broadband download speeds of greater than 6/1 using fiber transport and a mix of Adtran VDSL technologies.

In 2013, Pine Telephone provides high speed broadband to the following "anchor" institutions:

- Halfway Clinic
- Pine Eagle Charter School (K-12)
- Forest Service
- Halfway Library
- Richland Library
- City of Halfway
- Halfway Fire Dept.
- Halfway Chamber of Commerce

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In addition Pine Telephone provides a Video System for Halfway Charter School for live online classes. College and language courses are provided from other school districts.

SUMMARY DISCUSSION OF PLANS BY YEAR

2015/2016/2017

Upgrading FTTH ONT:

Pine Telephone intends to upgrade the TelStrat CPE FTTH ONT to an Adtran Platform. The Adtran Platform is in place and is extremely reliable. TelStrat was Pine Telephone's original platform with many inherent problems, including limited reliable spares for replacement purposes. This will be a three year project with the intent of replacing approximately 175 CPE ONT's. Also the TelStrat housing is reusable with a small adjustment, meaning that there is no extra cost. This project will be performed by employees and managed internally.

Approximate costs are calculated with labor at \$350 per unit @ 58 customers per year = \$20,417 per year, and \$61,251 over the three year period.

D.C. Rectifier and Battery Upgrades:

For 2015 Pine Telephone will upgrade the power and batteries at the Granite Exchange. The batteries and rectifier are 15 years old with very limited spare equipment available to use for replacement of broken and nonfunctional parts. This particular area is approximately 5000ft in altitude and located in an extremely remote location. The Granite Exchange office also powers numerous remotes via express

power. When winter storms roll through that service area, with its mountains and heavy snowfall, power problems are continuous. Also this area is a Forest Service staging area for Fire Camps. As an example the 2014 Crane Flat Fire and the remote that feeds that area is served by express power only. Also, the Forest Service needed broadband service at that location to assist them in fighting the fire. The exchange serves approximately 125 customers. This project will be contracted out with an employee assisting to ensure that it is completed on time.

Approximate costs with labor are \$31,141

2015/2016

Adtran Upgrade:

For 2015 Pine Telephone will upgrade the AFC platform which is 20 years old to the newer Adtran VDSL platform. Currently the AFC platform in the Granite Exchange is serving 125 customers and is broadband capable with some changes which Pine Telephone was able to make in order to increase the AFC to broadband speeds of 4Mb/1Mb. The AFC equipment is hard to maintain with very limited good spares available. Upgrading to Adtran will enable Pine to use the spares that are already available combined with the same equipment Pine currently has in other locations to double broadband speeds to that other location. Also Pine Telephone anticipates future cost savings on employee training as Adtran VDSL platforms are already in use in Pine Telephone's other exchanges. The project would be performed by employees and managed internally.

Costs approximately with labor are: Granite 2015 \$46,783.10 - Adtran Upgrade

Granite 2015 \$18,590.00 - Sonet Terminal

Upgrade in 2016 to Ethernet Capable Sonet, Greenhorn, Stices Gulch, Black Mountain \$38,265.50 This upgrade will provide broadband capability to the approximate 2% of customers still utilizing the older systems.

The total estimated Adtran Upgrade costs are \$61,638.60

2015/2016/2017/2018/2019

General Expenditures:

For years 2015 through 2019 Pine Telephone expects to spend \$11,000.00 per year in miscellaneous additions for a total of \$55,000.00.

2016

Backhaul Upgrade for Radio:

For 2016 Pine Telephone will upgrade backhaul radio to our Oregon Public Broadcasting ("OPB") site in the Halfway Exchange. The radio is currently unlicensed 5GHZ and Pine Telephone would like to upgrade to 10GHZ licensed radio. Pine Telephone currently has no fiber to that area and instead relies on radio for back haul.

The tower serves OPB and Pine Telephone would like to expand this service to be able to offer Ethernet connections to Verizon Cellular and the State Highway Department. Additionally, ATT Cellular plans on building a site in this area. There will be cost savings in that Pine Telephone will not have to build fiber to serve this area. The project will be performed by employees and managed internally.

Approximate costs approximate with labor are \$13,186.50

Bucket Truck:

For 2016 Pine Telephone will purchase a bucket truck. Pine currently has 1 older vehicle (2001/118,000 miles). The bucket truck will be both a service truck and used to work on towers Pine Telephone uses.

Approximate cost is \$55,000.00

Because Pine Telephone has been using much more wireless technology with towers to serve its customers, for the cost savings that Pine is realizing from not laying buried fiber cable, Pine has much more need for a bucket truck than in the past. As an example, Pine Telephone installed a tower providing wireless capability to upgrade a BETRS radio to the Dump Transfer Station. The alternative would have been to lay buried fiber as well as copper cable for approximately five miles as there is also no power available on site. Pine Telephone upgraded to wireless local loop and used the current solar system at the Premise for power. The customer has 6/1Meg broadband and POTS.

2017

Green Horn Fiber Upgrade:

For 2017 Pine Telephone will expand its network by laying additional buried fiber cable a distance of approximately 5 miles, from the Greenhorn area in the Granite Exchange to a meet point with Oregon Telephone Corporation. The necessary permits have already been obtained. This upgrade will give the 125 customers in the Green Horn area additional bandwidth via Ethernet from Oregon Telephone Corporation and eventually allow Pine Telephone to remove the existing 17 year old switch. Currently all that is available is TDM and it is extremely expensive. This will cut costs and upgrade Pine Telephone's ability to serve the area. The project would be contracted out and an employee would be assigned to ensure quality and completion of the project.

Approximate costs with labor are \$262,430.00

2018

Generator Upgrade:

For 2018 Pine Telephone plans to replace two generators in our service area, an old generator in Eagle Bar which serves the Hells Canyon Dam and another that serves Granite. Both areas are extremely remote and need strong and reliable Generator Backup. Because the current generators are very old, they are due for replacement. The project would be contracted out and an employee assigned to ensure quality and completion of the project.

Approximate costs with labor are:

\$24,585.00 Granite \$24,585.00 Eagle Bar (Hells Canyon) \$49,179.00 TOTAL

2019

10 Gig Backhaul Upgrade:

For 2019 Pine Telephone plans to upgrade equipment for regulated internet backhaul to 10 Gigabit, which will require changing out Pine Telephone's Sonet Terminal. This is necessary due to the increasing needs for more broadband capability of the schools, libraries, and local health clinic. This upgrade would not require continuing expenditures but be a one- time capital expenditure. This project would be contracted out and an employee assigned to ensure quality and completion of the project.

Approximate costs with labor are \$58,035.50

Switch Upgrade:

In 2019 Pine Telephone plans to upgrade the Halfway Exchange Switch to a Meta Softwitch. The current Taqua switch will be 20 years old at that time. To transition to VOIP technology a modernized switch will be needed. Also the Metaswitch will switch the Granite Exchange which currently has a 20 year old switch. This project would be contracted out and an employee assigned to ensure quality and completion of the project

Approximate costs are with labor are \$387,500.00

Conclusion

5 Year Estimated Costs Summary

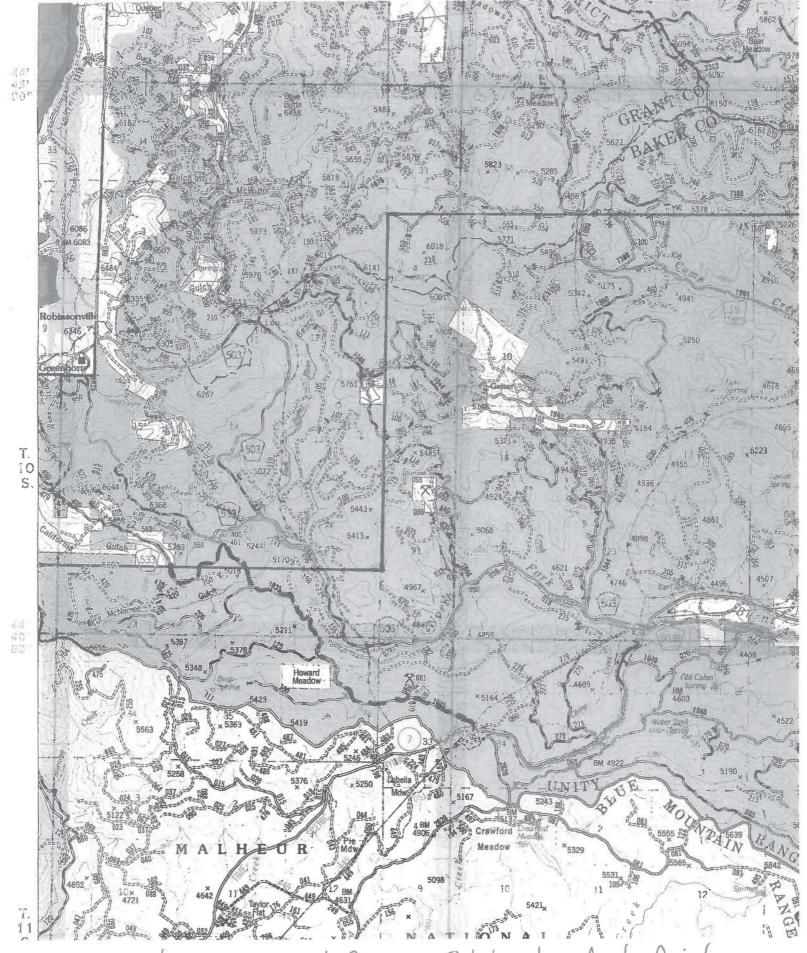
| 2015 | \$127,931.10 |
|------|--------------|
| 2016 | \$137,869.00 |
| 2017 | \$293,847.00 |
| 2018 | \$ 60,170.00 |
| 2019 | \$456,535.50 |

Total Estimate \$1,076,352.60

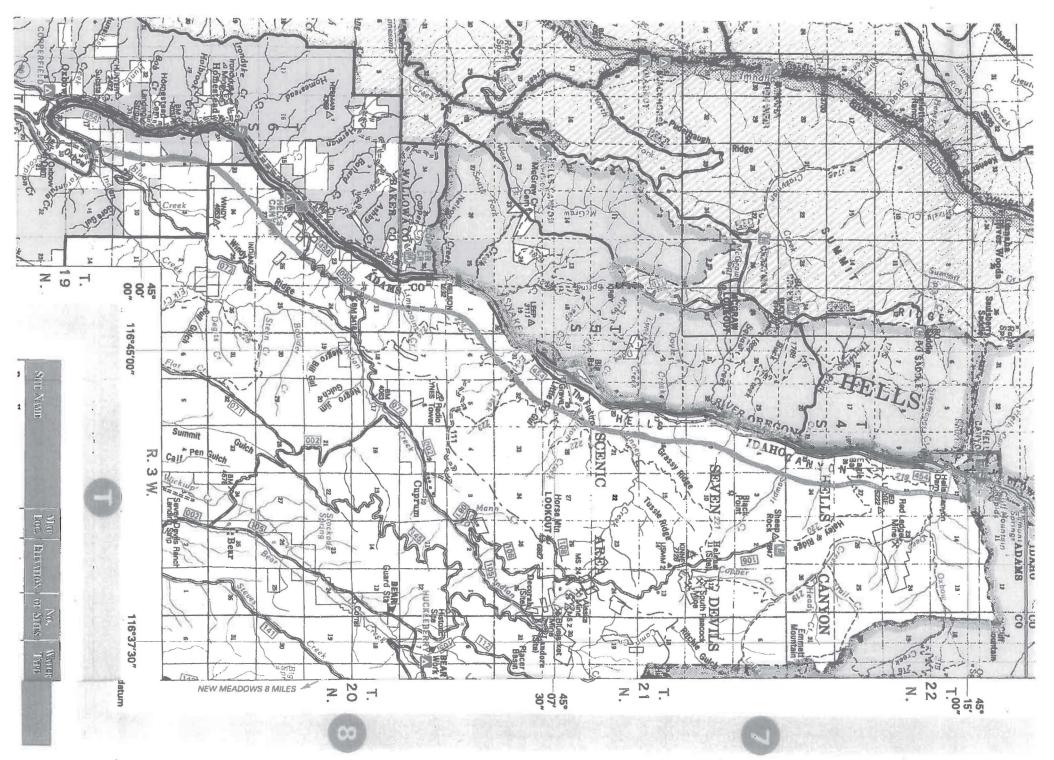
NETWORK IMPROVEMENTS PROJECTS As of 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

Pine Telephone Systems Inc. Nece Study Area Code \$32392

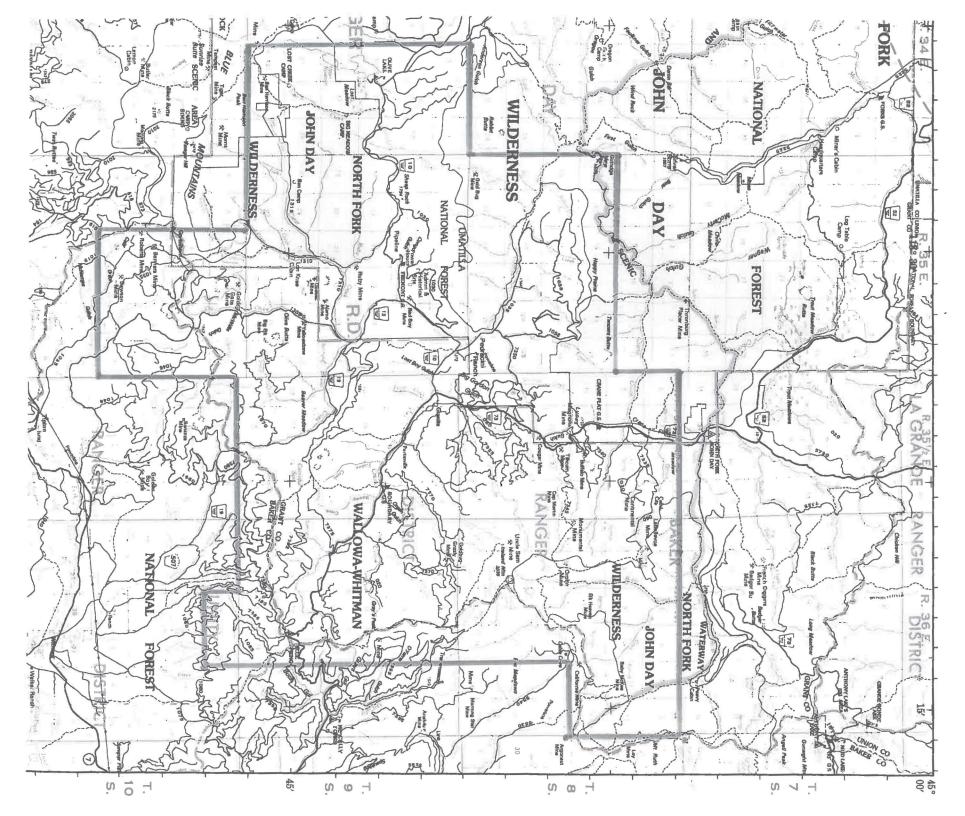
| WIRE CENTER & CLLI | DESCRIPTION of IMPROVEMENT | COST ESTIMATE | COST | REGULATED % ALLOCATION | AMOUNT IN USF SUPPORT AREA | % VOICE | % AREA BROADBAND IMPACTED | POPULATION IMPACTED | TARGET COMPLETION DATE | ACTUAL COMPLETION DATE |
|--------------------|---|---|------|--------------------------------------|---|---------------------------------|---------------------------------|-------------------------------|--|------------------------|
| | | | | | | | | | | |
| 2015 | Replace ONT to Addraw D.C Ractifler and Battery Upgrades Adtran Upgrade General Expenditures | \$20,417.00 \$31,141.00 \$46,783.00 \$11,000.00 | | 100% 100% 100% 100% | \$20,417.00 \$31,141.00 \$46,783 \$11,000.00 | 50% 50% 50% 50% | 50% 50% 50% 50% | 58 75 75 800 | 9/30/2015 9/30/2015 9/30/2015 12/31/2015 | |
| Total Projects | | \$109,341.00 | | | \$109,341.00 | | | | | |
| 2015 | Replace ONT to Addron Addron Upgrade BackHoul Upgrade for Radio Bucket Truck General Expenditures | \$20,417.00 \$18,590.00 \$13,136.00 \$55,000.00 \$21,000.00 | | 100% 100% 100% 100% 100% | \$20,417.00 \$18,590.00 \$13,186.00 \$55,000.00 \$11,000.00 | 50% 50% 50% 50% 50% | 50% 50% 50% 50% 50% | 58 75 n/a 800 800 | 9/30/2016 9/30/2016 9/30/2016 9/30/2016 12/31/2016 | |
| Total Projects | | \$118,193.00 | | | 5118,193.00 | | | | | |
| 2017 | Green Horn Fiber Upgrade Geograf Expenditures | \$262,430.00 \$11,000.00 | | 100% 100% | \$262,430 \$11,000.00 | 50% 50% | 50% 50% | 100 800 | 9/30/2017 12/31/2017 | |
| Total Projects | | \$273,430.00 | | | \$273,430 | | | | | |
| 2015 | Generator Upgrade | \$49,179.00 | | 100% | \$49,179.00 | 50% | 50% | SO | 9/30/2018 | |
| Total Projects | | \$49,179.00 | | | \$49,179.00 | | | | | |
| 2019 | 10 Gigabit Backhaul Upgrade Switch Upgrade | \$58,035.00 \$387,500.00 | | 100% 100% | \$58,035.00 \$387,500.00 | 50% 50% | 50% 50% | 800 800 | 9/30/2019 12/31/2019 | |
| Total Projects | | \$445,535.00 | | | \$445,535.00 | | | | | |

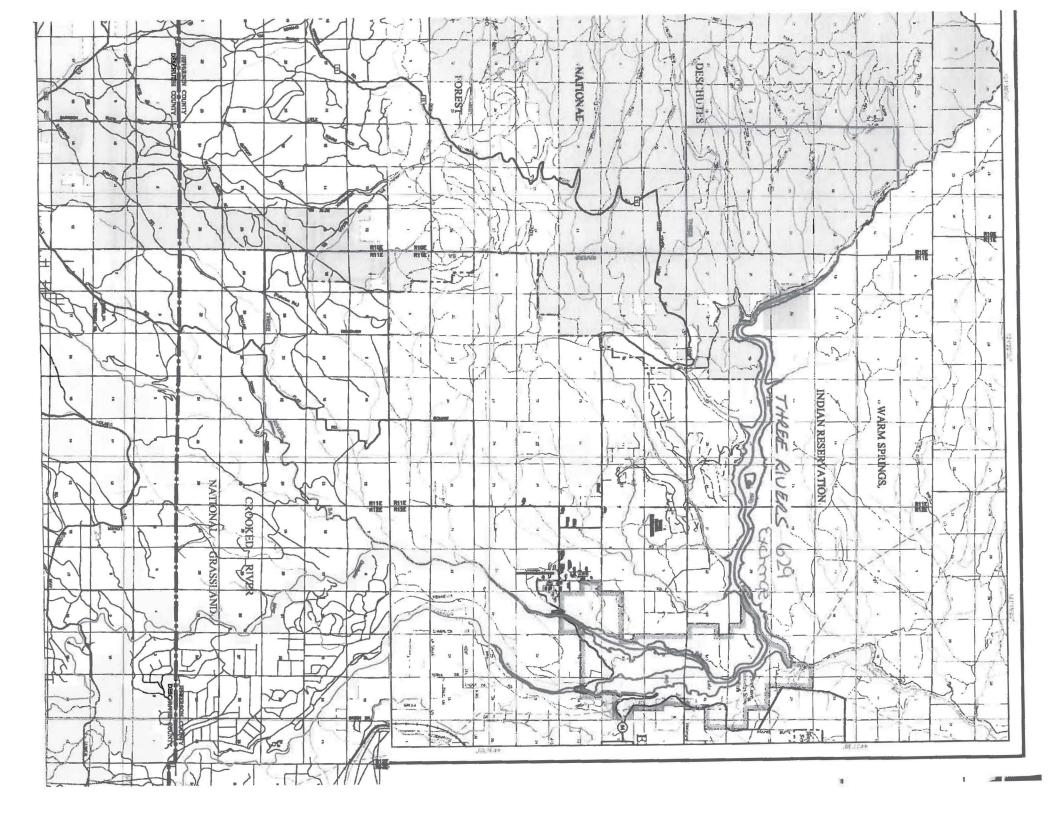


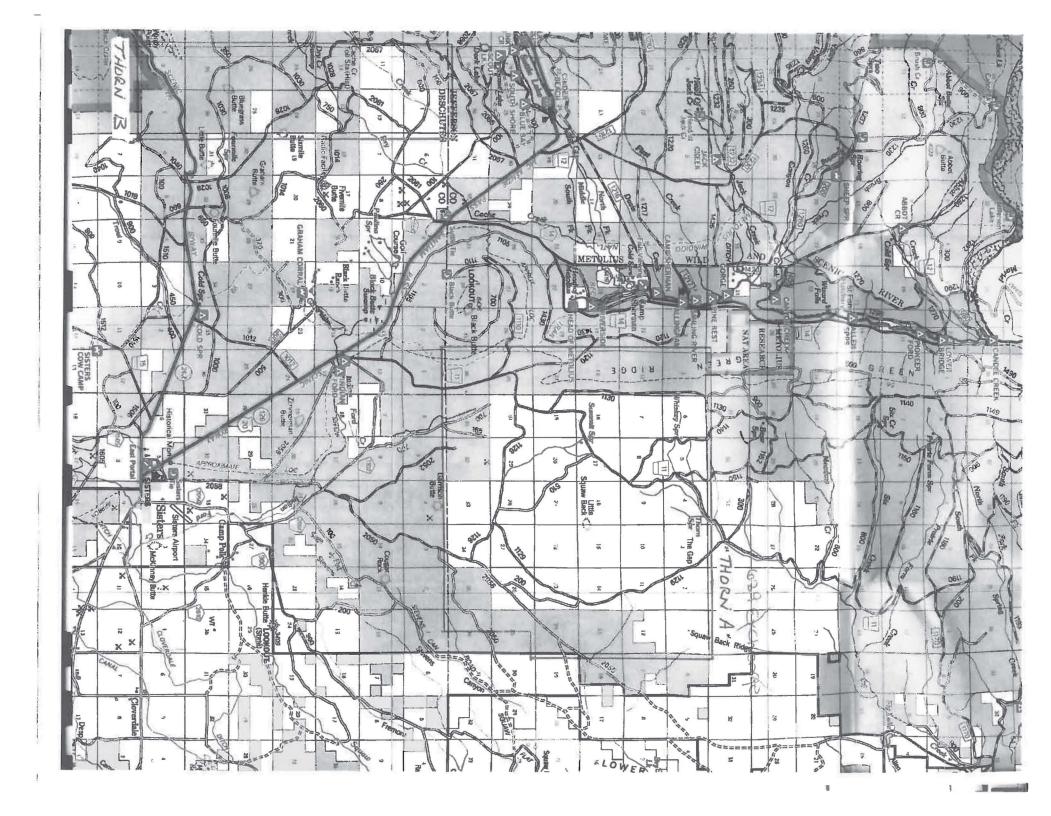
Propose Route From CAlifornia Gulch to Meet Point with Oregon Tel 4-75 mile



Idaho half 742







PINE TELEPHONE SYSTEM, INC.

P. O. BOX 706 104 CENTER STREET HALFWAY, OREGON 97834 (541) 742-2201 FAX (541) 742-4321

54.313(a)(5) Satisfactions of Consumer Protection and Service Quality Standards

Consumer Protection

Voice and Broadband

Pine Telephone System, Inc. complies with the requirement of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

Voice

Pine Telephone System, Inc. complies with the service standards of the State of Oregon as promulgated in the Oregon Administrative Rules 860-034-0390, Retail Telecommunications Service Standards for Small Telecommunications Utilities.

Broadband

Pine Telephone System, Inc. follows the service standards noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers.

Pine Telephone System, Inc.

54.313(a)(6) Ability to Remain Functional in Emergency Situations

Back-up Power

Pine Telephone System, Inc. has the following back-up power capabilities:

Switches - stand alone and/or host

Switch A-Halfway CO

80KW, Diesel Generac Generator with 250 gallon tank capacity.

Expected run time on full tank: 96 hours. Battery Capacity, String A, 1 rack,
GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC, String B, 1 rack,
GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC, String C, 1 rack,
GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC

Switch B-Granite CO

Kohler 8.5 RMY, 8.5 KW Generator with 500 gallon propane tank capacity. Expected run time on full tank: 250 hours. Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC

Switch C-Three Rivers CO

80KW, 80KVA, 120/240 Volts, 333.3 Amps, Phase 1 PHA, 60 Hertz, Propane, Generac Generator, 10 cylinder with a 500 gallon tank capacity. Expected run time on full tank: 200 hours, 24 EXIDE batteries, 2000 Ah At 8 hrs. to 1.75 VPC

Subscriber carrier (DLC, AFC, OPM, etc.)

Remote AFC Cabinets associated with Switch A

RST 1, West Dry Creek, 2 Battery strings, SBS 40, 12V-37 Ah. Expected run time: 24 hrs.

RST 2, East Dry Creek, 2 Battery strings, SBS 40, 12V-37 Ah. Expected run time: 24 hrs.

RST 3, Gulick, 2 Battery strings, SBS 40, 12V-37 Ah. Expected run time: 24 hrs.

RST 4, East Pine, 2 Battery strings, SBS 40, 12V-37 Ah. Expected run time: 24 hrs.

RST 5, Carson, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

Halfway Hill, 1 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

Jimtown Hut

Telstrat & Adtran

45KW, 4.2L, Propane, TWE Enterprises Generator with 500 gallon tank. Expected run time on full tank; 250 hours. Battery Capacity, String A, 1 rack, TYCO, 2000 AH @ 8 hour rate to 1.75 VPC.

Oxbow Hut

AFC, Telstrat, Adtran & Fujitsu

18KW, 2.3L, Propane, 18RY 62 Kohler Generator with 500 gallon tank. Expected run time on full tank; 250 hours. Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC.

Brownlee Hut

AFC, Adtran & Fujitsu

Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours Rated 8 hrs. to 1.75 VPC.

Eagle Bar Hut

AFC, Adtran

5000W, TWE50 GAK generator with a 125 gallon propane tank.

Expected run time on full tank: 100 hours.

Battery Capacity, String A, LS12-100, 100 Ah to 10.5 Volts.

Rated 8 hrs. to 1.75 VPC.

AFC remote Hells Canyon Park

2 Battery Strings, SBS 15, 12V 12.8 Ah

Remote AFC Cabinets associated with Switch B

RST 1, Deems Loop, 2 Battery strings, GNB. Expected run time: 24 hours

RST 2, Black Mountain, line powered from RST 3.

RST 3, Denny Creek, 2 Battery strings, GNB. Expected run time: 24 hours

RST 6, Olive Creek, line powered from the Granite CO.

RST 7, Lower Stices Gulch, 2 Battery strings, SBS 40, 12V-37 Ah Expected run time: 24 hours.

RST 8, Upper Stices Gulch, 2 Battery strings, SBS 40, 12V-37 Ah Expected run time: 24 hours.

Greenhorn Hut, RST 9

8000W, TWE80 GAK generator with two 250 gallon propane tanks. Expected run time on full tank: 200 hours. Battery Capacity, String A, 1 rack, E31 SLD G, 97.6 Ah, String B, E31 SLD G, 97.6 Ah, Solar Assist, 2 PV Modules, IF 150

North Hut - Three Rivers

60KW, 60 KVA, 120/240 Volt, Phase 1 PHA, Generac Generator, 500 gallon Propane tank. Expected run time on full tank:48 hrs. Battery capacity, 2180Ah@ 600V, 39 panels equal 9.36kW+/-.

Ability to reroute traffic around damaged facilities:
Pine Telephone System, Inc. has the following per Exchange:

Halfway Exchange

The Halfway Exchange has 72 DS1s (3 T1s) connected to Syringa for the purpose of inter lata voice calls with CIC codes. Halfway also has a 110Mbps circuit to Syringa for Internet access services. A SONET ring protects the voice and Internet circuits between Halfway and the point of connection to Cambridge Telephone/Syringa at Brownlee. Syringa, over the Cambridge Telephone facilities, transports to Cambridge at which point the circuits are once more inserted into a SONET ring that carries the circuits to the Syringa tandem in Boise for connection to the world.

The Halfway Exchange also has 3 T1s connected to the Pendleton Tandem via CenturyLink for Intralata voice calls. At this point in time there is no protection for those circuits; however, Pine Telephone has been planning with Syringa and other local telephone companies about the possibility of creating a SONET ring in Eastern Oregon that would have provide full protection. The required investment in plant is not now available, so has delayed this project.

Granite Exchange

The Granite Exchange has 2 T1s connected to the Pendleton Tandem via CenturyLink that provide inter and intra lata voice circuits for its customers. Granite also has 5 T1s directly connected to the Halfway central office that provides for Internet access bandwidth and special access. There is no protection at this point in time for those circuits; however, should the Eastern Oregon SONET ring be deployed in the future, then Granite will be in the ring.

Three Rivers Exchange

The Three Rivers Exchange has 3 T1s dedicated to inter and intra lata voice calls with CIC codes. These circuits terminate on the Syringa Tandem in Boise. The exchange also has 2 T1s dedicated to intra lata voice calls without CIC codes that terminate on the CenturyLink tandem in Redmond. Internet access circuits are shared with 10Mbps to Syringa and 40Mbps to Zayo Bandwidth.

At some point in the future a partial SONET ring is planned within the Three Rivers service area that will protect a cable cut.

Capability to manage traffic spikes resulting from emergency situations

The Halfway Exchange has 735 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 120 simultaneous calls.

The Granite Exchange has 93 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 48 simultaneous calls.

The Three Rivers Exchange has 56 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 120 simultaneous calls.

Pine Telephone System, Inc.

LOCAL SERVICES*

LOCAL ACCESS LINE RATES

RATES

Trunks and one-party apply within the base rate area and supplementary base rate areas. Trunks and one-party can be provided in suburban areas for an additional charge (mileage). Following are the monthly rates for local access lines including certain CLASS features listed on sheet 302 and 302.1 and marked by an asterisk(*):

BUSINESS SERVICE

Touchtone

| Exchange Names | PBX Trunks | One- Party | Semi- Public |
|-------------------|---------------|---------------|-----------------|
| Halfway/Oxbow | N/A | \$19.00 | \$19.00 |
| Granite | N/A | \$19.00 | \$19.00 |
| Three Rivers | N/A | \$19.00 | \$19.00 |

RESIDENCE SERVICE

Touchtone

| Exchange Names | PBX Trunks | One- Party |
|-------------------|---------------|---------------|
| Halfway/Oxbow | N/A | \$14.00 |
| Granite | N/A | \$14.00 |
| Three Rivers | N/A | \$14.00 |

The above rates do not include the Service Assistance Program Surcharge.

* Subject to Oregon Telephone Assistance Program (OTAP) Credit

Description

- a. Pursuant to Chapter 290, Oregon Laws 1987, and Oregon Administrative Rule (OAR) Chapter 860, Division 33, the Oregon Telephone Assistance Program (OTAP) is the state counterpart to the federal Lifeline program and is governed by Federal Communication Commission 47 Code of Federal Regulations Subpart E, 54. This state and federal government assistance program provides qualifying low-income consumers with reduced monthly charges for any local residential service plan that includes voice telephony service. Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent, access to emergency services and toll limitation services.
- b. Customers must meet the eligibility requirements for OTAP/Lifeline defined in OAR 860-033-0030.

| Advice No | · | 1 | | | | |
|-----------|-----|-----|------|-----------|----------|------|
| Issued _ | May | 15, | 2013 | Effective | _July 1, | 2013 |

Pine Telephone System, Inc.

LOCAL SERVICES

LOCAL ACCESS LINE RATES - Cont'd

OTAP (cont.)

Terms and Conditions

Basic federal Lifeline support amount: \$9.25 OTAP support amount: \$3.50 TOTAL support amount: \$12.75

- a. The basic federal Lifeline support amount is applied to the End User Common Line charges or equivalent. The remaining basic federal and OTAP support amount is applied to the qualifying low-income customer's intrastate rate.
- b. Billing will reflect that the OTAP/Lifeline credit became effective on the date specified by the Public Utility Commission of Oregon for each approved customer.
- C. Partial payments from OTAP/Lifeline customers are first applied to the allocated price of the voice telephony service component and then to toll charges or the cost of other services.
- d. OTAP/Lifeline customers may voluntarily elect toll limitation service at no charge. OTAP/Lifeline customers who subscribe to toll limitation service will not be required to pay a service deposit in order to initiate OTAP/Lifeline service.
- e. OTAP/Lifeline customers may <u>not</u> be charged the federal universal service fund fee or the monthly number-portability charge as part of their local residential service plan that includes voice telephony service.
- f. The Residential Service Protection Fund surcharge must be charged to OTAP/Lifeline customers.

CONDITIONS

Local service is provided through facilities owned and maintained according to the standards of the Company. The territory served is shown on maps filed with the Commission by the Company. This territory is referred to as an exchange.

The application of business or residence rates is determined by the actual or obvious use made of the service by the customer. Where only one access line is provided at a location which is both business and residence, the business rate will apply. Flat rate service will not be installed on premises of a public or semi-public character in a location where the telephone would be accessible for use by the patrons of the customer or by the public in general.

Local service rates include the line which provides access to the central office switching equipment. Customer premises equipment (CPE) is excluded, except that one telephone is included with semi-public service. Customer premises inside wire is excluded.

| Advice | No | 1 | | | | |
|--------|-----|-----|------|-----------|---------|------|
| Issued | May | 15, | 2013 | Effective | July 1, | 2013 |

| TEXT SIZE: A+ A- A | TEXT ONLY | TRANSLATE * | Find |
|--------------------|-----------|-------------|------|

Public Utility Commission (Home)

Search

Oregon Lifeline (Oregon Telephone Assistance



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Electricity/Natural Gas

Hearings Division

Oregon Telephone Assistance Programs

Telecommunications

Water

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Program)



<>

The Oregon Public Utility Commission (PUC) manages the Oregon Lifeline program. If you qualify, this federal and state government assistance program reduces your monthly residential/landline or wireless phone bill by \$12.75.

List of residential/landline and wireless companies that provide the Oregon Lifeline benefit

How to Apply for Lifeline:

Using Online Application:

Submit your application online if you or a member of your household participates in one of the following programs:

- Supplemental Nutrition Assistance
- Program; Food Stamps (SNAP)
 Temporary Assistance for Needy
- Families (TANF) Supplemental Security Income (SSI)
- State Medical Programs (at or below 135% of federal poverty guidelines)
- Medicald

Using Printed Application:

Complete and send a printed application to our office with the current documentation if you or a member of your household participates in one of the following programs or meets the income

- · National School Lunch Program; Free Lunch
- Program Only (NSLP)

 Low-Income Home Energy Assistance Program (LIHEAP)
 Federal Public Housing Assistance (Section
- 8) Total household income is at or below 135% of
- federal poverty guidelines

Click Here to Apply Online

Click Here to **Print Application**

Aplicar en Español

Подать заявление на русском языке

Nộp đơn bằng tiếng Việt

Contact Oregon Lifeline (RSPF)

OREGON.GOV

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PDF FILE ACCESSIBILITY

Adobe Reader, or equivalent, is required to view PDF files. Click the "Get Adobe Reader" image to get a free download of the reader from



PINE TELEPHONE SYSTEM, INC.

P. O. BOX 706 104 CENTER STREET HALFWAY, OREGON 97834 (541) 742-2201 FAX (541) 742-4321

54.313 Lifeline customers MOU and additional toll charges

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Pine Telephone System, Inc. subscriber, are free to choose their own toll usage plans through IXCs that serve Pine Telephone System, Inc.

| | 0572-0031. The time require | ed to complete this info | s not required to respond to, a collection of information unless it displa ormation collection is estimated to average 4 hours per response, includ the collection of information. | | |
|---|---|--------------------------|--|---------------------------------|------------------|
| USDA-F | RUS | | This data will be used by RUS to review your financial situation, You | r response is required by 7 U.S | S.C. 901 et seq. |
| | | | and, subject to federal laws and regulations regarding confidential in | | |
| | | | BORROWER NAME | | |
| OPERATING R TELECOMMUNICATION | | s | Pine Telephone System, Inc. | | |
| | | | (Prepared with Audited Data) | | |
| INSTRUCTIONS-Submit report to RUS within 30 | days after close of the pe | riod. | PERIOD ENDING | BORROWER DESIGNATION | N |
| For detailed instructions, see RUS Bulletin 1744- | | | December, 2013 | OR0545 | |
| | | CI | RTIFICATION | | |
| to the best of our knowledge and belie ALL INSURANCE REQUIRED BY RENEWALS HAVE BEEN OBTAI | ef. Y 7 CFR PART 1788, INED FOR ALL POI | CHAPTER XVI LICIES. | ounts and other records of the system and reflect the state I, RUS, WAS IN FORCE DURING THE REPORTIN PURSUANT TO PART 1788 OF 7CFR CHAPTER 2 | NG PERIOD AND | |
| All of the obligations under the RUS loan have been fulfilled in all material respects | documents | | or of the following) There has been a default in the fulfillment of the oblig under the RUS loan documents. Said default(s) is/an specifically described in the Telecom Operating Repo | ations e | |
| RONNIE MILFORD | | 3/28/2014 | | | |
| | | DATE | - | | |
| | | DADT | A. BALANCE SHEET | | |
| | BALANCE | BALANCE | L BALANCE SHEET | BALANCE | BALANCE |
| ASSETS | PRIOR YEAR | END OF PERIOD | LIABILITIES AND STOCKHOLDERS' EQUITY | PRIOR YEAR | END OF PERIOD |
| CURRENT ASSETS | FRONT LAK | END OF FERIOD | CURRENT LIABILITIES | PRIORIDAN | |
| Cash and Equivalents | 1,867,604 | 2 617 259 | 25. Accounts Payable | 151,950 | 74,913 |
| 2. Cash-RUS Construction Fund | 2,080 | | 26. Notes Payable | | |
| 3. Affiliates: | 2,080 | 2,000 | 27. Advance Billings and Payments | | |
| a. Telecom, Accounts Receivable | | | 28. Customer Deposits | 1,523 | |
| b. Other Accounts Receivable | | | 29. Current Mat. L/T Debt | 1,678,000 | 1,665,000 |
| c. Notes Receivable | | | 30. Current Mat. L/T Debt-Rur. Dev. | 1/0/0/000 | 1,003,000 |
| 4. Non-Affiliates: | | | 31. Current MatCapital Leases | | |
| a. Telecom, Accounts Receivable | 712,693 | 689,172 | 32. Income Taxes Accrued | 806 | 7,540 |
| | | | 33. Other Taxes Accrued | | 17520 |
| b. Other Accounts Receivable | | | 34. Other Current Liabilities | 40,677 | 51,539 |
| c. Notes Receivable 5. Interest and Dividends Receivable | | | 35. Total Current Liabilities (25 thru 34) | 1,872,956 | 1,798,992 |
| | 147,650 | 211 041 | LONG-TERM DEBT | 1,872,956 | 1,730,992 |
| 6. Material-Regulated | 147,650 | 211,041 | | 19.568.633 | 18,551,598 |
| 7. Material-Nonregulated | 60,769 | 42 200 | 36. Funded Debt-RUS Notes | 1,141,062 | 925,643 |
| 8. Prepayments | 8,420 | | 37. Funded Debt-RTB Notes | 1,111,002 | 223,043 |
| 9. Other Current Assets | | | 38. Funded Debt-FFB Notes | | |
| 10. Total Current Assets (1 Thru 9) | 2,799,216 | 3,5/2,940 | 39, Funded Debt-Other | | |
| NONCURRENT ASSETS | | | 40. Funded Debt-Rural Develop, Loan | 1 | |

41. Premlum (Discount) on L/T Debt

Obligations Under Capital Lease
 Adv. From Affiliated Companies

42. Reacquired Debt

42,733 OTHER LIAB. & DEF. CREDITS

39,958,601 51. Cap. Stock Outstand. & Subscribed

52. Additional Paid-in-Capital

27,980

32,059

60,039

39,732,462

386,917

45. Other Long-Term Debt

28,241 46. Total Long-Term Debt (36 thru 45)

47. Other Long-Term Liabilities

70, 974 50. Total Other Liabilities and Deferred Credits (47 thru 49)

54. Membership and Cap. Certificates

48. Other Deferred Credits
49. Other Jurisdictional Differences

| 24,861,488 | 22,918,480 | 56. Patronage Capital Credits | | |
|------------|--------------------|--|------------|------------|
| | | 57. Retained Earnings or Margins | 3,598,432 | 3,701,348 |
| | | 58. Total Equity (51 thru 57) | 3,619,672 | 3,722,588 |
| | | 59. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | | |
| 27,720,743 | 26,562,394 | | 27,720,743 | 26,562,394 |
| | Total Cavilles - 1 | 4 01% of Total Access | | |

EQUITY

48,517 53. Treasury Stock

15,257,891 17,088,638 55. Other Capital

11. Investment in Affiliated Companies

a. Rural Development
b. Nonrural Development

b. Nonrural Development

13. Nonregulated investments

14. Other Noncurrent Assets

16. Jurisdictional Differences

18. Telecom, Plant-in-Service

20. Plant Under Construction

19. Property Held for Future Use

17. Total Noncurrent Assets (11 thru 16)

PLANT, PROPERTY, AND EQUIPMENT

21. Plant Adj., Nonop. Plant & Goodwill

22. Less Accumulated Depreciation

23. Net Plant (18 thru 21 less 22) 24. TOTAL ASSETS (10+17+23)

Other Investments
 a. Rural Development

15. Deferred Charges

20,709,695 19,477,241

1,563,573

1,563,573

21,240

1,518,420

1,518,420

21,240

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

| RORROWER | DESIGNATION |
|----------|-------------|
| | |

OR0545

PERIOD ENDING

December, 2013

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

| ITEM | PRIOR YEAR | THIS YEAR | |
|---|-------------|-----------|--|
| Local Network Services Revenues | 148,878 | 165,792 | |
| Network Access Services Revenues | 7,019,854 | 6,575,029 | |
| Long Distance Network Services Revenues | | | |
| Carrier Billing and Collection Revenues | 60,707 | 25,548 | |
| 5. Miscellaneous Revenues | 61,216 | 97,056 | |
| Uncollectible Revenues | 709 | 320 | |
| 7. Net Operating Revenues (1 thru 5 less 6) | 7,289,946 | 6,863,105 | |
| 8. Plant Specific Operations Expense | 1,202,191 | 1,358,065 | |
| 9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization) | 72,585 | 74,841 | |
| Depreciation Expense | 2,226,985 | 2,362,049 | |
| Amortization Expense | | | |
| 2. Customer Operations Expense | 221,534 | 211,859 | |
| 3. Corporate Operations Expense | 1,251,639 | 1,302,397 | |
| 4. Total Operating Expenses (8 thru 13) | 4,974,934 | 5,309,211 | |
| 5. Operating Income or Margins (7 less 14) | 2,315,012 | 1,553,894 | |
| 6. Other Operating Income and Expenses | | | |
| 7. State and Local Taxes | 84,400 | 30,533 | |
| 8. Federal Income Taxes | 331,449 | 52,298 | |
| 9. Other Taxes | 301,800 | 323,288 | |
| 20. Total Operating Taxes (17+18+19) | 717,649 | 406,119 | |
| 21. Net Operating Income or Margins (15+16-20) | 1,597,363 | 1,147,775 | |
| 22. Interest on Funded Debt | 994,723 | 963,367 | |
| 23. Interest Expense - Capital Leases | | | |
| 24. Other Interest Expense | 35 | (30) | |
| 25. Allowance for Funds Used During Construction | 39,765 | 9,178 | |
| 26. Total Fixed Charges (22+23+24-25) | 954,993 | 954,159 | |
| 27. Nonoperating Net Income | (73,506) | (30,880) | |
| 28. Extraordinary Items | (13/2021) | | |
| 29. Jurisdictional Differences | | | |
| 10. Nonregulated Net Income | 29,358 | (59,820) | |
| 11. Total Net Income or Margins (21+27+28+29+30-26) | | *** | |
| 22. Total Taxes Based on Income | 598,222 | 102,916 | |
| 33. Retained Earnings or Margins Beginning-of-Year | | | |
| Miscellaneous Credits Year-to-Date | 3,000,210 | 3,598,432 | |
| | | | |
| | | | |
| | | | |
| 37. Other Debits Year-to-Date | | | |
| 38. Transfers to Patronage Capital 99. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)] | 2 500 420 | | |
| | 3,598,432 | 3,701,348 | |
| 10. Patronage Capital Beginning-of-Year | | | |
| 11. Transfers to Patronage Capital | | | |
| 12. Patronage Capital Credits Retired | 200 | | |
| I3. Patronage Capital End-of-Year (40+41-42) | 0 | (| |
| 14. Annual Debt Service Payments | 2,394,099 | 2,547,005 | |
| 15. Cash Ratio [(14+20-10-11) / 7] | 0.4754 | 0,4886 | |
| 8. Operating Accrual Ratio [(14+20+26) / 7] | 0.9119 | 0.9716 | |
| 47. TIER [(31+26) / 26] | 1.6264 | 1,1079 | |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION OR0545

PERIOD ENDED December, 2013

INSTRUCTIONS - See RUS Bulletin 1744-2

| | 1. RATE | s | 2. SUBSC | RIBERS (ACCESS LINES | 3, ROUTE MILES | | |
|---|---------|------------|-----------------|----------------------|----------------|-----------------------------------|--------------|
| EXCHANGE | B-1 (a) | R-1 (b) | BUSINESS (a) | RESIDENTIAL (b) | TOTAL (c) | TOTAL (including fiber) (a) | F/BER (b) |
| Three Rivers (Culver) | 19.00 | 14.00 | 4 | 41 | 45 | 28.45 | 3.10 |
| Granite | 19,00 | 14.00 | 9 | 73 | 82 | 127.74 | 43.21 |
| Halfway / Oxbow | 19.00 | 14.00 | 183 | 521 | 704 | 289.40 | 78.47 |
| MobileV/ireless | | | | | 0 | | |
| Route Mileage Outside Exchange Area | | | | | | 40.91 | 38.65 |
| Total | | | 198 | 635 | 831 | 488,50 | 163.43 |
| No. Exchanges | 3 | | | | | y | |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION OR0545

PERIOD ENDED

December, 2013

INSTRUCTIONS - See RUS Butfelin 1744-2

| Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA | INFORMATION |
|---|-------------|
|---|-------------|

| | | | 4. B | ROADBAND SER | VICE | | | |
|--------------------------|---|---------------------------------------|---------------------------------|--|--|-------------------|-----------------|------------------------------|
| | | | | Detai | is on Least Exper | nsive Broadband S | ervice | |
| EXCHANGE | No. Access Lines with BB available (a) | No Of Broadband Subscribers (b) | Number Of Subscribers (c) | Advertised Download Rate (Kbps) (q) | Advertised Upload Rate (Kbps) (e) | Price Per Month | Standalone/Pckg | Type Of Technology (g) |
| Three Rivers (Culver) | 45 | 29 | 45 | 6,000 | 1,500 | 20.95 | Package | DSL |
| Granite | 82 | 28 | 82 | 6,000 | 1,500 | 25.95 | Package | DSL |
| Halfway / Oxbow | 704 | 423 | 704 | 6,000 | 1,500 | 20.95 | Package | DSL |
| Total | 831 | 480 | | | | | | |

| USDA-RUS | | | BORROWER DES | BORROWER DESIGNATION | | |
|---|--|-----------------|----------------------------|----------------------|---------------------------------------|--|
| OPERATING REPORT FOR | | | OR0545 | OR0545 | | |
| TELECOMMUNICATIONS BORROWERS | | | | PERIOD ENDING | | |
| | | | December, 2 | December, 2013 | | |
| INSTRUCTIONS- See RUS Bulletin 1744-2 | | | | | | |
| PART D. SYSTEM DATA | | | | | | |
| 1. No. Plant Employees 2. No. Other Employees 8 | 3. Square Miles Served | 911 | 4. Access Lines per Square | e Mile | 5. Subscribers per Route Mile 1.71 | |
| PART E. TOLL DATA | | | | | | |
| Study Area ID Code(s) Z. Types of Tol | Settlements (Check one | 9) | | | | |
| a.532392 | Salata Sa | Interstate: | Average Schedule | • | X Cost Basis | |
| b | | | | | | |
| с. | | Intrastate: | Average Schedule | 9 | X Cost Basis | |
| d | | | | | | |
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| j | | | | | | |
| | | | | | | |
| PART F. | FUNDS INVESTED IN F | PLANT DURING YE | AR | | | |
| RUS, RTB, & FFB Loan Funds Expended | | | | | 337,780 | |
| 2. Other Long-Term Loan Funds Expended | | | | | | |
| 3. Funds Expended Under RUS Interim Approval | | | | | | |
| 4. Other Short-Term Loan Funds Expended | | | | | | |
| | | | | | 398,432 | |
| 6. Salvaged Materials | | | | | | |
| 7. Contribution in Aid to Construction | | | | | | |
| 8. Gross Additions to Telecom. Plant (1 thru 7) | | | | | 736,212 | |
| PART G. INVESTMENTS IN AFFILIATED COMPANIES | | | | | | |
| | CURRENT | YEAR DATA | | CUMULATIVE DA | ATA | |
| | | | Cumulative | Cumulative | | |
| INVESTMENTS | Investment | Income/Loss | Investment | Income/Loss | Current | |
| | This Year | This Year | To Date | To Date | Balance | |
| (a) | (6) | (c) | (d) | (e) | Ø | |
| Investment in Affiliated Companies - Rural Development | 0 | (38,778) | 30,135 | (30,135) | 0 | |
| Investment in Affiliated Companies - Nonrural Development | | | | | | |

| BORROWER DESIGNATION |
|----------------------|
| OR0545 |
| PERIOD ENDING |
| Dogombon 2012 |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS December, 2013 PART H. CURRENT DEPRECIATION RATES Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) Х YES NO **DEPRECIATION RATE EQUIPMENT CATEGORY** 14.90% Land and support assets - Motor Vehicles Land and support assets - Aircraft 3. Land and support assets - Special purpose vehicles 7.50% Land and support assets - Garage and other work equipment 6.10% Land and support assets - Buildings 6.40% Land and support assets - Furniture and Office equipment Land and support assets - General purpose computers 15.00% Central Office Switching - Digital 6.30% Central Office Switching - Analog & Electro-mechanical 10. Central Office Switching - Operator Systems 10.60% 11. Central Office Transmission - Radio Systems 12. Central Office Transmission - Circuit equipment 10.60% 13. Information origination/termination - Station apparatus 14. Information origination/termination - Customer premises wiring 15. Information origination/termination - Large private branch exchanges 16. Information origination/termination - Public telephone terminal equipment 17. Information origination/termination - Other terminal equipment 18. Cable and wire facilities - Poles 19. Cable and wire facilities - Aerial cable - Metal 20. Cable and wire facilities - Aerial cable - Fiber 21. Cable and wire facilities - Underground cable - Metal 22. Cable and wire facilities - Underground cable - Fiber 23. Cable and wire facilities - Buried cable - Metal 6.30% 24. Cable and wire facilities - Buried cable - Fiber 4.80% 25. Cable and wire facilities - Conduit systems 2.00% 26. Cable and wire facilities - Other

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION

OR0545

PERIOD ENDED

December, 2013

| | PART I - STATEMENT OF CASH FLOWS | |
|-----|--|--------------------|
| 1. | Beginning Cash (Cash and Equivalents plus RUS Construction Fund) | 1,869,684 |
| | CASH FLOWS FROM OPERATING ACTIVITIES | |
| 2. | Net Income | 102,916 |
| | Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | |
| 3. | Add: Depreciation | 2,362,049 |
| 4. | Add: Amortization | 0 |
| 5. | Other (Explain) Allowance for Funds Used During Construction | (9,178) |
| | Changes in Operating Assets and Liabilities | |
| 6. | Decrease/(Increase) in Accounts Receivable | 23,521 |
| 7. | Decrease/(Increase) in Materials and Inventory | (63,391) |
| 8. | Decrease/(Increase) in Prepayments and Deferred Charges | 18,470 |
| 9. | Decrease/(Increase) in Other Current Assets | (2,669) |
| 10. | Increase/(Decrease) in Accounts Payable | (77,037) |
| 11. | Increase/(Decrease) in Advance Billings & Payments | 0 |
| 12. | Increase/(Decrease) in Other Current Liabilities | 17,596 |
| 13. | Net Cash Provided/(Used) by Operations | 2,372,277 |
| | CASH FLOWS FROM FINANCING ACTIVITIES | |
| 14. | Decrease/(Increase) in Notes Receivable | 0 |
| 15. | Increase/(Decrease) in Notes Payable | 0 |
| 16. | Increase/(Decrease) in Customer Deposits | (1,523) |
| 17. | Net Increase/(Decrease) in Long Term Debt (Including Current Maturities) | (1,245,454) |
| 18. | Increase/(Decrease) in Other Liabilities & Deferred Credits | 45,153 |
| 19. | Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital | 0 |
| 20. | Less: Payment of Dividends | |
| 21. | Less: Patronage Capital Credits Retired | |
| 22. | Other (Explain) | |
| | | |
| 23. | Net Cash Provided/(Used) by Financing Activities | (1,201,824) |
| | CASH FLOWS FROM INVESTING ACTIVITIES | |
| 24. | Net Capital Expenditures (Property, Plant & Equipment) | 112,261 |
| 25. | Other Long-Term Investments | (10,935) |
| 26. | Other Noncurrent Assets & Jurisdictional Differences | |
| 27. | Other (Explain) Asset Retires, Retirement Work Orders, & Overhead Allocation | (522,124) |
| 28. | Net Cash Provided/(Used) by Investing Activities | (420,798) |
| 29. | Net Increase/(Decrease) in Cash | 749,655 |
| 30. | Ending Cash | 2,619,339 |
| 50. | Finding Area | Pavision Data 2010 |

Revision Date 2010

| USDA-RUS | BORROWER DESIGNATION | |
|---|--------------------------------------|--|
| OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | OR0545 | |
| INSTRUCTIONS - See RUS Bulletin 1744-2 | PERIOD ENDED December, 2013 | |
| NOTES TO THE OPERATING REPO | ORT FOR TELECOMMUNICATIONS BORROWERS | |

NOTE: This submission was prepared from Pine Telephone System, Inc.'s December 31, 2013 audited financial statements.

On July 1, 2012, the company formed PT Services, Inc. a wholly-owned subsidiary, to accumulate nonregulated activity. Parts A, B, and I include the consolidated activity of Pine Telephone System, Inc. and its wholly-owned subsidiary. All material intercompany transactions and balances have been eliminated in the consolidation.

Specifically, Part A includes \$42,733 of net plant, \$9,361 of cash, and \$27,539 in current assets that net to Pine Telephone's investment in PT Services, Inc. Part B includes \$6,671 of depreciation expense, \$27,713 of income tax benefit, and \$59,820 of nonregulated loss from PT Services, Inc. Part I includes the associated changes in cash flows of both companies.

Please direct questions to Bruce S. Goslovich at (208) 550 - 7943 or bruce@goslovichfc.com.

| USDA-RUS | BORROWER DESIGNATION |
|---|---|
| OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | OR0545 |
| INSTRUCTIONS - See RUS Bulletin 1744-2 | PERIOD ENDED December, 2013 |
| CERTIFICATION LOAN DEFAULT NOTES TO THE OPER | ATING REPORT FOR TELECOMMUNICATIONS BORROWERS |

Teena Thomas

| From: Sent: To: Subject: | ronl <ronl@pinetel.com> Tuesday, June 24, 2014 12:42 PM teenase@pinetel.com Fwd: Form 481 Certification Confirmation</ronl@pinetel.com> |
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